

Message Text

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ACTION IO-10

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FM AMEMBASSY MADRID

TO SECSTATE WASHDC PRIORITY 1978

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AMEMBASSY MEXICO

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SUBJECT: WTO ASSEMBLY: FINAL REPORT

REF: (A) MADRID 3397

(B) MADRID 3560

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(D) MADRID 3561

1. FIRST WTO GENERAL ASSEMBLY CONCLUDED BUSINESS IN
PLENARY SESSION MAY 23 AND 24 BY TAKING FINAL DECISIONS
ON REMAINING AGENDA ITEMS REPORTED UPON BELOW, ALL OF
WHICH ACCOMPLISHED IN HIGHLY CONSTRUCTIVE MANNER. WHILE
GROUP OF 77 CAUCUSED FREQUENTLY DURING ASSEMBLY, LDC
DELEGATIONS SPOKE OUT FOR MOODERATION IN PLENARY SESSIONS
WHEN ON DIFFERENT OCCASIONS MEXIC, INDIA AND
PHILIPPINES ATTEMPTED TO STIMULATE CONFRONTATIONS. FOR
EXAMPLE, PHILIPPINE RESOLUTION TO REQUIRE THAT HEADQUAR-
TERS MUST BE SITUATED IN DEVELOPING COUNTRY DEFEATED
30-46(US)-8, AND PRIOR EFFORT BY PHILIPPINES TO ADJOURN
IN HOPES OF RE-GROUPING ON ISSUE DEFEATED 16-43(US)-10.

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2. MARKED CHANGE OF CHARACTER CONTRASTED FIRST AND SECOND WEEKS OF ASSEMBLY. DURING FIRST WEEK. MEETING IN PLENARY SESSION ONLY, ASSEMBLY FOUND ITSELF BEING MANIPULATED IN HANDS OF THE MOST ACTIVE CANDIDATES FOR HEADQUARTERS SITE AND MANAGED ONLY TO CONCLUDE ELECTIONS QUESTIONS REPORTED REF A. AT OPENING OF SECOND WEEK, THEREFORE, U.S. PROPOSED ESTABLISHMENT OF OPEN-ENDED ADMINISTRATIVE COMMITTEE TO CONSIDER AND RECOMMEND TO PLENARY ON ALL REMAINING AGENDA BUSINESS EXCEPT QUESTIONS OF HEADQUARTERS SITE, MEMBERSHIP AND APPOINTMENT OF SECRETARY GENERAL. PROPOSAL VIGOROUSLY RESISTED BY MEXICO AND INDIA, OUT-SPOKEN CAMPAIGNERS IN HEADQUARTERS SITE COMPETITION, EACH OF WHOM WISHED TO KEEP ASSEMBLY LOCKED INTO PROCEDURAL MANEUVERS THEY REGARDED AS SUPPORTIVE OF THEIR RESPECTIVE CANDIDACIES. HOWEVER, THEIR EFFORT TO SUSPEND DISCUSSION OF U.S. PROPOSAL SOUNDLY REJECTED 2 (MEXICO, INDIA) - 75(US) - 13 REVEALING EXTENT OF THEIR ISOLATION FROM TRUE MOOD OF ASSEMBLY, AND PROPOSAL TO ESTABLISH ADMINISTRATIVE COMMITTEE THEREAFTER ADOPTED 34(KUS)-8-38. VOTES MARKED TURNING POINT IN ASSEMBLY, AND REAL WORK OF ASSEMBLY THEN TRANSFERRED TO ADMINISTRATIVE COMMITTEE WHILE PLENARY CONTINUED ON HEADQUARTERS SITE ISSUE, WHICH FINALLY RESOLVED IN FAVOR OF MADRID AS REPORTED REF B.

3. ADMINISTRATIVE COMMITTEE, UNDER ABLE CHAIRMANSHIP OF CANADA, SET UP EXPERT WORKING GROUP WHICH DEVELOPED GUIDELINES FOR WTO WORK PROGRAM AND RECOMMENDATIONS FOR REVISIONS IN BUDGET PROPOSED BY SECRETARY GENERAL (U.S. PARTICIPATED ACTIVELY IN BOTH COMMITTEE AND WORKING GROUP.) REPORT OF ADMINISTRATIVE COMMITTEE, WHICH CAME BEFORE PLENARY AFTERNOON OF MAY 23, REPRESENTED PRINCIPAL PRODUCE OF ASSEMBLY AND RECOMMENDATIONS IT CONTAINED WERE ALL ACCEPTED (WITH SINGLE EXCEPTION EXPLAINED BELOW) IN GENERALLY CONSTRUCTIVE PLENARY DISCUSSION WHICH FOLLOWED. FINANCIAL REGULATIONS WERE ADOPTED INCORPORATING AMENDMENTS U.S. AND OTHERS SOUGHT. LUSAKA FORMULA WAS ADOPTED FOR WTO SCALE OF ASSESSMENT (REF C). SECRETARY GENERAL DIRECTED TO REWORK BUDGET FOR 1976-77 BIENNium IN ACCORDANCE WITH GUIDELINES AND RECOMMENDATIONS DEVELOPED BY ADMINISTRATIVE COMMITTEE, AND COUNCIL AUTHORIZED TO RECEIVE HIS NEW SUBMISSION FOR ITS APPROVAL. DIRECTION LIMITED OFFICIAL USE

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GIVEN FOR TRANSFER TO WHO OF IUOTO RIGHTS AND OBLIGATIONS. STAFF REGULATIONS ADOPTED INCLUDING PRINCIPAL AMENDMENTS PROPOSED BY U.S. SECRETARY GENERAL AUTHORIZED TO BEGIN CONSULTATIONS WITH UN AND UNDP LOOKING TOWARD CONCLUSIVE OF AGREEMENTS OF COOPERATION.

4. SINGLE SIGNIFICANT DEPARTURE BY PLENARY FROM RECOMMENDATIONS OF ADMINISTRATIVE COMMITTEE CAME WITH MOVE BY

INDIA, BROADLY SUPPORTED BY LDC DELEGATIONS, TO ESTABLISH BUDGET LEVEL FOR 1976-77 BIENNIAL AT 5 MILLION DOLLARS, RATHER THAN 4.5 COMMITTEE HAD RECOMMENDED. PROPOSAL CARRIED 43(US)-14-15. (USSR AND EASTERN EUROPEANS OPPOSED. WESTERN EUROPEANS ABSTAINED.) MOVE WAS MADE AFTER LUSAKA FORMULA HAD BEEN ACCEPTED AND IN LIGHT, THEREFORE, OF FINANCIAL IMPLICATIONS FOR ALL WHICH WOULD BE FAIRLY EVENLY SPREAD.

5. NEW EXECUTIVE COUNCIL (ELECTION REPORTED REF A) WAS CONVENED DURING SECOND WEEK OF ASSEMBLY, AND ON ITS RECOMMENDATION (A) LONATI UNANIMOUSLY APPOINTED SECRETARY GENERAL (FOR FOUR YEAR TERM), AND (B) EGYPT AND NETHERLANDS ELECTED TO SERVE AS AUDITORS.

6. ONLY SIGNIFICANT MEMBERSHIP QUESTION WAS THAT OF CHINA REPRESENTATION REPORTED REF D. CUBA APPROVED STATUS OF MEMBERSHIP BUT PRECIPITATED BRIEF SPAT WITH CHILEAN DELEGATION BY QUESTIONING WHETHER CHILE WAS IN FULL COMPLIANCE WITH ARTICLE 3 OF STATUTES (AIMS OF WTO). ARABS ON OTHER HAND DID NOT PURSUE THIS OPPORTUNITY WITH RESPECT TO ISRAEL.

7. CLOSING HOUR OF ASSEMBLY MARRED BY ILL PREPARED EFFORT BY MEXICO TO HAVE ASSEMBLY TAKE DECISION THAT WTO WOULD ADOPT "AS A GENERAL RULE" THE PRINCIPLES CONTAINED IN CERDS WHICH, MEXICAN DRAFT RESOLUTION CONTENTED, AFFECT AIMS OF WTO. REPEATED AND HEATED INTERVENTIONS BY MEXICAN DELEGATION SERVED ONLY TO DRAW OUT TO MEXICAN EMBARRASSMENT FACT THAT MOST LDC REPRESENTATIVES PRESENT WERE UNFAMILIAR WITH CERDS. ZAIRE COMPLAINED THAT DELEGATION WOULD HAVE TO SEEK GUIDANCE, AND LEBANESE DELEGATION EXPRESSED UNFAMILIARITY WITH CHARTER OR HOW LEBANON HAD VOTED IN US. LIMITED OFFICIAL USE

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EVEN CUBAN DELEGATION URGED MEXICO NOT TO PRESS MATTER AT PRESENT ASSEMBLY. MEXICO RELUCTANTLY ACCEPTED RULING BY CHAIRMAN THAT INITIATIVE BE DEFERRED TO SUBSEQUENT ASSEMBLY BUT MEXICAN REPRESENTATIVE (CASTRO Y CASTRO) MANAGED TO INJECT INTO FINAL INTERVENTION OF ASSEMBLY "APPEAL TO THIRD WORLD NOT TO GIVE UP OUR STRUGGLE." HIS APPEAL WAS NOT HEAVILY APPLAUDED NOR CHARACTERISTIC OF MOOD IN WHICH ASSEMBLY CLOSED. STABLER

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